

**MINUTES
OF THE SOUTH OGDEN CITY
COMMUNITY DEVELOPMENT AND RENEWAL AGENCY BOARD MEETING**

Held Tuesday, December 1, 2015 in the Council Chambers of City Hall

BOARD MEMBERS PRESENT

Chair James F. Minster, Board Members Brent Strate, Sallee Orr, Wayne Smith, and Russell Porter

BOARD MEMBERS EXCUSED

Bryan Benard

STAFF MEMBERS PRESENT

City Manager Matt Dixon, City Attorney Ken Bradshaw, Police Chief Darin Parke, Fire Chief Cameron West, Parks and Public Works Director Jon Andersen, Finance Director Steve Liebersbach, and Recorder Leesa Kapetanov

CITIZENS PRESENT

Jim Pearce, Brie Imlay, Jay & Ame' Price

(Motion from city council meeting to enter CDRA Board Meeting):

Council Member Porter moved to leave City Council meeting and convene into a Community Development Renewal Agency Board meeting. The motion was seconded by Council Member Orr. All present voted aye.

I. CALL TO ORDER

Chairman James Minster called the Board Meeting to order at 6:15 pm and moved to the first item on the agenda.

II. CONSENT AGENDA

A. Approval of November 17, 2015 CDRA Minutes

The chairman asked if there were any corrections to the minutes. There were no comments. The chairman called for a motion.

Board Member Orr moved to approve the consent agenda. The motion was followed by a second from Board Member Strate. The vote was unanimous for approval of the consent agenda.

III. DISCUSSION/ACTION ITEMS

A. Consideration of Previously Tabled CDRA Resolution 15-03 – Amending the CDRA FY2016 Budget

City Manager Matt Dixon asked the Board if they had additional questions concerning this matter.

Board Member Porter stated he had previously been in favor of the budget amendments and was still in favor of them now. He agreed with the letter from RDA Counsel Craig Smith. Board Member Strate reported he had spent three hours with Finance Director Steve Liebersbach going over questions and information concerning the bonds and loans, however he still had concerns. Mr. Strate went over the timeline of the bonds and loans and stated that if there was a debt obligation he wanted to see documents that proved it; if not, he wanted to re-look at it.

Board Member Porter asked Mr. Strate if he thought the City was doing something illegal; he did not understand what Board Member Strate was so passionate about. Mr. Strate said there were rules regarding access to CDRA money. Board Member Porter pointed out the CDRA attorney had said it was legal and even an obligation to repay the loan. Mr. Strate said in his opinion, the CDRA attorney had based his recommendation on incomplete information.

City Attorney Bradshaw said if there was a question about the propriety of doing something, and an attorney gave legal advice concerning the matter, you should follow the attorney's advice. If you followed the advice and it turned out to be wrong, the responsibility was on the attorney; however, if you did not follow the attorney's advice, the responsibility was yours. Mr. Bradshaw stated that CDRA Attorney Craig Smith was one of the best CDRA attorneys in the state and he had done whatever research was necessary for him to give an opinion on the repayment of the loans. Mr. Smith had stated that "the loan was a valid obligation of the agency". Mr. Bradshaw said the CDRA Board was entitled to rely on that opinion as they did not have the knowledge to be able to make an informed decision on the matter; that is why they had hired an expert to look at the issue and give them a recommendation.

Finance Director Steve Liebersbach reviewed some of the timeline of the issuance of bonds and loans for the CDRA debt. He then referred to footnote 10 in the 2005 Audit Report and stated he believed it referred to the Costco/Kimco Project. He said the audit report used the term "forgiven" when referring to the loans but he had always used the term "written off". He felt the terms meant the same thing, although Board Member Strate felt there was a difference between the two. In his experience it was common to use the term "write-off" for many things, including utility bills, ambulance collections, etc.; it was common throughout the finance field. He also felt it was reasonable that the City had written the CDRA loans off based on the information supplied at the time that the CDRA would not be able to make good on the loans. Now ten years had passed and the circumstances had changed. He felt the CDRA Board could move forward with confidence that this was the right thing to do.

Board Member Porter stated they had the obligation to do what was best for the City, and putting hundreds of thousands of dollars back into the City's funds was what was best for the City. They also should listen to what the CDRA attorney recommended. Board Member Orr agreed they should take the advice of the CDRA attorney. Mr. Bradshaw added that it did no good dwelling on things that happened twenty years in the past. They should look at what they had in front of them today and make the very best decision they could to move forward. Chair Minster stated he had been on the Council and Board when the loans had been written off, and he felt they had made the best decision with the information they had been given. Board Member Orr asked if Craig Smith had been the CDRA attorney back when the loans had been taken out. Mr. Bradshaw confirmed that he was.

Board Member Strate said he knew there was some criticism to the amount of due diligence he felt was necessary in regards to this issue. He felt as an elected official he needed to give the due diligence necessary; however, he relented any further questioning on the issue and asked that the vote be taken. Board Member Smith added he had studied the matter and felt they should move forward with the vote.

Board Member Strate moved to adopt Resolution 15-03. Board Member Porter seconded the motion. The chair asked if there were further discussion. Board Member Orr said she appreciated the time everyone had taken on the matter and she appreciated Board Member Strate for looking into everything. **There was no more discussion. Chair Minster called the vote:**

Board Member Strate -	Yes
Board Member Porter-	Yes
Board Member Orr-	Yes
Board Member Smith-	Yes

The budget amendments were approved.

Chair Minster called for a motion to adjourn.

IV. ADJOURN

Board Member Porter moved to adjourn as the CDRA Board and reconvene as the South Ogden City Council, followed by a second from Board Member Smith. The voice vote was unanimous in favor of the motion.

The meeting adjourned at 6:50 pm.

I hereby certify that the forgoing is a true, accurate and complete record of the South Ogden City Community Development and Renewal Agency Board Meeting held Tuesday, December 1, 2015.


Leesa Kapetanov, Board Secretary

Date approved by the CDRA Board _____ January 19, 2016